

NEW START CENTER  
FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2009

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 2/17/10

NEW START CENTER

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
New Start Center  
St. Martinville, Louisiana

We have audited the accompanying statement of financial position of the New Start Center (a non-profit organization) as of June 30, 2009 and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the New Start Center as of June 30, 2009, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 21, 2009, on our consideration of the New Start Center's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

*Kolder, Champagne, Slaven & Company, LLC*  
Certified Public Accountants

Franklin, Louisiana  
December 21, 2009

NEW START CENTER  
STATEMENT OF FINANCIAL POSITION  
June 30, 2009

ASSETS

CURRENT ASSETS

Cash	\$ 147,932
Due from other agencies	20,055
Prepaid expenses	<u>4,517</u>
Total current assets	172,504

FIXED ASSETS

Property and equipment, net	13,615
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OTHER ASSETS

Security deposit	<u>550</u>
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Total assets	<u>\$ 186,669</u>
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accrued liabilities	<u>\$ 5,962</u>
Total current liabilities	5,962

NET ASSETS

Unrestricted	<u>180,707</u>
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Total liabilities and net assets	<u>\$ 186,669</u>
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The accompanying notes are an integral part of these financial statements.

NEW START CENTER  
STATEMENT OF ACTIVITIES  
Year ended June 30, 2009

REVENUES, GAINS AND OTHER SUPPORT

Grant revenues	\$ 261,122
Contributions	14,481
Fundraising events	149,796
Interest earned	362
Other revenue	<u>71</u>
Total revenues, gains and other support	<u>425,832</u>

EXPENSES AND LOSSES

Program expenses	262,399
General and administrative expenses	23,348
Fundraising expenses	<u>91,139</u>
Total expenses	<u>376,886</u>

Change in net assets	48,946
Net assets, beginning of year	<u>131,761</u>
Net assets, end of year	<u>\$ 180,707</u>

The accompanying notes are an integral part of these financial statements.

NEW START CENTER  
STATEMENT OF CASH FLOWS  
Year ended June 30, 2009

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ 48,946
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Depreciation	5,566
Decrease in due from other agencies	573
Increase in prepaid expenses	(586)
Decrease in accrued liabilities	<u>(277)</u>
Net cash provided by operating activities	<u>54,222</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Payments for equipment purchases and leasehold improvements	<u>(8,900)</u>
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Net increase in cash	45,322
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CASH, beginning of year	<u>102,610</u>
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CASH, end of year	<u>\$ 147,932</u>
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The accompanying notes are an integral part of these financial statements.

NEW START CENTER  
NOTES TO FINANCIAL STATEMENTS

Note 1: Nature of Organization and Significant Accounting Policies

Nature of organization:

The New Start Center is a non-profit organization that provides a wide range of services to victims of domestic violence. Its core service is providing shelter and support for victims and children. In addition, a 24-hour crisis line, individual assessment, and case management are provided. The New Start Center is also actively involved with community education including law enforcement training and support groups. The New Start Center coordinates domestic abuse intervention through the court system and provides mandated education for abusers.

The accompanying financial statements of the Organization have been prepared on the accrual basis of accounting.

The Organization is an exempt organization for Federal income tax purposes under Section 501(c)(3) of the Internal Revenue Code.

Significant accounting policies:

Support and expenses:

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets in the statement of activities as net assets released from restrictions. The Organization relies heavily on grants (government and other) and general public donations to support its operations.

Expenses are recorded when incurred in accordance with the accrual basis of accounting.

Allowance for doubtful accounts:

The Organization considers accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts is required.

Property and equipment:

Purchased property and equipment are recorded at cost at the date of acquisition. Property and equipment purchased with grant funds are recorded as temporarily restricted contributions. In the absence of donor stipulations regarding how long the assets must be used, the Organization has adopted a policy of implying a time restriction that expires over the useful life of the assets.



NEW START CENTER  
NOTES TO FINANCIAL STATEMENTS (Continued)

Depreciation is computed by the straight-line method based on the following estimated lives:

	<u>Years</u>
Furniture and equipment	5-7
Vehicles	5

Donated services:

The New Start Center receives donated services from unpaid volunteers who assist in program services during the year; however, these donated services are not reflected in the statement of activity because the criteria for recognition under SFAS No. 116 have not been satisfied.

Cash and cash equivalents:

For the purposes of the statement of cash flows, the New Start Center considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Advertising:

Advertising costs are expensed as incurred. Advertising expense was \$0 in 2009.

Note 2: Accounting Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note 3: Due from Other Agencies

Due from other agencies consisted of the following at June 30, 2009:

State of Louisiana	
OWP grant	\$ 12,572
CVA grant	2,128
VAWA grant	<u>5,355</u>
	<u>\$ 20,055</u>

# NEW START CENTER

## NOTES TO FINANCIAL STATEMENTS (Continued)

### Note 4: Natural Classification of Expenses

Expenses incurred were the following for the year ended June 30, 2009:

	Program	General and Administrative	Fundraising	Total
Salaries	\$ 170,026	\$ 10,595	\$ 15,000	\$ 195,621
Payroll taxes	13,127	818	1,158	15,103
Employee benefits	21,457	2,384	-	23,841
Bank charges	-	74	-	74
Depreciation	5,009	557	-	5,566
Dues and subscriptions	1,213	135	-	1,348
Insurance	7,675	853	-	8,528
Legal and accounting	1,500	3,000	-	4,500
Licenses and permits	-	-	75	75
Office	4,812	535	-	5,347
Postage	308	34	-	342
Professional fees	424	-	-	424
Repairs	1,768	196	-	1,964
Rent	10,363	1,152	73,300	84,815
Security	381	42	-	423
Shelter expenses	4,317	480	-	4,797
Supplies	2,018	204	1,479	3,701
Telephone	4,216	469	-	4,685
Travel and conferences	6,581	731	-	7,312
Utilities	4,769	530	-	5,299
Other	-	559	127	686
Program expenses	<u>2,435</u>	<u>-</u>	<u>-</u>	<u>2,435</u>
	<u>\$ 262,399</u>	<u>\$ 23,348</u>	<u>\$ 91,139</u>	<u>\$ 376,886</u>

# NEW START CENTER

## NOTES TO FINANCIAL STATEMENTS (Continued)

### Note 5: Property and Equipment

Property and equipment consisted of the following at June 30, 2009:

Furniture and equipment	\$ 45,447
Vehicles	<u>4,500</u>
	49,947
Less: accumulated depreciation	<u>(36,332)</u>
	<u>\$ 13,615</u>

### Note 6: Summary of Grants/Contracts Funding

New Start Center was funded through the following grants and contracts for the year ended June 30, 2009:

<u>Funding Source</u>	<u>Award Number</u>	<u>Recognized Support</u>
State of Louisiana		
Office of Women's Policy	CFMS #670249	\$ 140,000
Office of Women's Policy	CFMS #673014	55,000
Office of Women's Policy	CFMS #670249	2,257
Louisiana Commission on Law Enforcement		
Domestic Violence Program	C07-4-010	3,493
Domestic Violence Program	C08-4-009	9,581
Domestic Violence Program	M07-8-018	4,080
Domestic Violence Program	M08-8-013	7,305
Office of Homeland Security		
Emergency Food and Shelter Program	CFDA 97.024	9,513
United States Department of Agriculture		
Nutrition Grant	2008-2009	1,246
St. Martin Parish Government		
Emergency Shelter Grant Program	CFDA 14.231	15,000
Louisiana Bar Association		
IOLTA Grant Program	2008-0030	4,750
IOLTA Grant Program	2009-0039	7,803
Louisiana Coalition Against Domestic Violence		
Economic Stimulus	2009	<u>1,094</u>
		<u>\$ 261,122</u>

NEW START CENTER

NOTES TO FINANCIAL STATEMENTS (Continued)

Note 7: Contingent Liabilities

The New Start Center receives grants for specific purposes that are subject to review and audit by the agency providing the funding. Such reviews and audit could result in expenses being disallowed under the terms and conditions of the grants. In the opinion of management, such disallowances, if any, would be immaterial.

**INTERNAL CONTROL, COMPLIANCE AND OTHER MATTERS**

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## REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors  
New Start Center  
St. Martinville, Louisiana

We have audited the financial statements of the New Start Center (a non-profit organization) as of and for the year ended June 30, 2009, and have issued our report thereon dated December 21, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Organization's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies that adversely affects the Organization's ability to initiate, authorize, record, process, or report financial data

reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Organization's financial statements that is more than inconsequential will not be prevented or detected by the Organization's internal control. We consider the deficiencies described as items 2009-1 and 2009-2 in the accompanying schedule of findings and questioned costs to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Organization's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that the significant deficiencies described above are material weaknesses.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances on noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, others within the Organization, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, the Legislative Auditor will distribute this document as a public record.

*Holder, Champagne, Slaven & Company, LLC*  
Certified Public Accountants

Franklin, Louisiana  
December 21, 2009

NEW START CENTER

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS

Year Ended June 30, 2009

2008-1 Inadequate Segregation of Duties

Condition: Accounting and financial functions are not adequately segregated.

Status: This finding is unresolved and will be reiterated. See current year finding 2009-1.



NEW START CENTER  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2009

Part 1: Summary of Auditor's Results

FINANCIAL STATEMENTS

Auditor's Report – Financial Statements

An unqualified opinion has been issued on the financial statements of the New Start Center as of and for the year ended June 30, 2009.

Significant Deficiencies – Financial Statements

Two significant deficiencies in internal control over financial reporting were disclosed during the audit of the financial statements. Both significant deficiencies were considered to be material weaknesses.

Material Noncompliance – Financial Reporting

No material instances of noncompliance were noted during the audit of the financial statements.

FEDERAL AWARDS

This section is not applicable for the fiscal year ended June 30, 2009.

Part 2: Findings Related to an Audit in Accordance with *Government Auditing Standards*

2009-1 Inadequate Segregation of Duties

Finding: Accounting and financial functions are not adequately segregated.

Criteria: SAS 109, *Understanding the Entity and its Environment and Assessing the Risks of Material Misstatement*, AU §314.43 defines internal control as follows:

*“Internal Control is a process – effected by those charged with governance, management, and other personnel – designed to provide reasonable assurance about the achievement of objectives with regard to reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.*

NEW START CENTER

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)  
Year Ended June 30, 2009

Additionally, Statements of Standards for Attestation Engagements (SSAE) AT §501.03 states:

An entity's internal control over financial reporting includes those policies and procedures that pertain to an entity's ability to record, process, summarize, and report financial data consistent with the assertions embodied in either annual financial statements or interim financial statements, or both."

Cause: Due to limited personnel performing administrative functions, the same person prepares checks, reconciles bank statements, enters information into the general ledger and prepares journal entries and posts to the general ledger.

Effect: Failure to adequately segregate accounting and financial functions increases the risk that errors and/or irregularities including fraud and/or defalcations may occur and not be prevented and/or detected.

Recommendation: The Organization's board is aware of this inadequacy and has concluded that the cost of hiring additional personnel to achieve complete segregation of duties would exceed its benefits. No additional response is deemed necessary.

2009-2 Application of GAAP (generally accepted accounting principles)

Finding: Management and staff lack the training and expertise in the selection and application of GAAP in the financial statement preparation process.

Criteria: SAS112, *Communicating Internal Control Related Matters Identified in an Audit*, AU §325.18, states in pertinent part:

"Deficiencies in the following areas ordinarily are at least significant deficiencies in internal control:

- Controls over the selection and application of accounting principles that are in conformity with generally accepted accounting principles. Having sufficient expertise in selecting and applying accounting principles is an aspect of such controls.

Furthermore, AU §325.32 identifies the following as a deficiency in the design of (internal) controls:

NEW START CENTER

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)  
Year Ended June 30, 2009

"Employees or management who lack the qualifications and training to fulfill their assigned functions. For example, in an entity that prepares financial statements in accordance with generally accepted accounting principles, the person responsible for the accounting and reporting function lacks the skills and knowledge to apply generally accepted accounting principles in recording the entity's financial transactions or preparing its financial statements."

Cause: The cause of the condition is the result of a failure to design or implement policies and procedures necessary to achieve adequate internal control.

Effect: Financial statements and related supporting transactions may reflect a material departure from generally accepted accounting principles.

Recommendation: The additional costs required to achieve the desired benefit may not be economically feasible.

Part 3: Findings and Questioned Costs Relating to Federal Programs

At June 30, 2009, the New Start Center did not meet the requirements to have a single audit in accordance with OMB Circular A-133, therefore this section is not applicable.

## NEW START CENTER

### Management's Corrective Action Plan for Current Year Findings Year Ended June 30, 2009

2009-1 Inadequate Segregation of Duties

Condition: Accounting and financial functions are not adequately segregated.

Management's Response: No response is considered necessary.

2009-2 Application of GAAP (generally accepted accounting principles)

Condition: Management and staff lack the training and expertise in the selection and application of GAAP in the financial statement preparation process.

Management's Response: The Organization has evaluated the cost/benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interests of the Organization to outsource this task to its independent auditors, and will review, approve, and accept responsibility for the content and presentation of the statements and related notes prior to issuance.